

L/E: PF PATMAN

DEPARTMENT OF STATE

Memorandum of Conversation

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DATE: May 31, 1967

SUBJECT: Italian Aviation Negotiations - Report on Private Meeting
(8 p.m., May 13)

PARTICIPANTS: FOR THE U.S.: Messrs. Loy, Minetti, Rodriguez,
Narten and Patman.

FOR ITALY: Messrs. Capomazza, Varaldo,
and Serafini.

COPIES TO: E/TT - Mr. Loy
E/OA - Mr. Bolster
E/OA/AN - Mr. Knight
E/OA/AL - Mr. Rodriguez
EUR/AIS - Mr. Blake

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY: [Signature]
DATE: 25 MAY 1967
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Mr. Scibilia

Ambassador Capomazza opened the meeting by asking Mr. Loy if he had brought the United States Note extending the agreement. Mr. Loy replied, "Yes".

Ambassador Capomazza said he was prepared to conclude the exchange of notes "on the condition that the seven-day period from now to Thursday, is used for a continuation of the negotiations, with no limitations on either side." Earlier, in proposing this exchange he had been acting on his own initiative, he said. Now, however, he was instructed by his Minister to conclude the exchange only to "permit continuation of negotiations. If you can follow this line we will be pleased to keep on discussing main issues. But if the situation stays the same as this morning and you do not have authority to discuss this offer, so that this delay would only be for the purpose of Italy deciding whether to accept your offer, then I must say we cannot accept this offer. It is insufficient for reasons which I shall spare you repetition, since you know our mind rather well."

Mr. Loy replied that this morning he had indicated what is possible and what impossible for the United States during the next week. That all still obtains. With that understanding concerning what avenues of exploration are open, we can agree to the extension. "Within the limitations I stated this morning, we can continue discussions. That remains our position. I am prepared to extend the agreement, but I have stated what we can and cannot do in order to avoid any possible misunderstandings."

Ambassador Capomazza stated flatly: "Since that is true, we cannot sign." Since the United States position is fixed on the "substance", and we could only discuss "details", he did not see the usefulness of prolonging the talks. "As

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long as you cannot move on substance, to extend the talks would be contrary to the principle of normal negotiations, which must be carried on in a free way. I cannot just try to convince my Government to agree to this offer."

Mr. Loy replied: "Maybe then that is the best way." If this is the final session before termination of our talks, he wanted to make the point he made this morning more explicitly for the future record. (The Italian delegation's secretary was taking notes; no notes had been made by the Italians on the morning meeting.) Mr. Loy then stated flatly that the United States is not prepared to negotiate additional points in the United States or additional beyond rights for Italy. "If in view of that, you do not think the discussion should go on, then we share your feeling that it is better not to proceed." He did say this morning, however, what limited moves the United States could consider.

Ambassador Capomazza interrupted: "Yes, we could look at such minor issues usefully, but they would surely bring us back to the wall of your instruction on the substance." He hoped to be able to renew the talks sometime in the future in a different atmosphere. What remained now was to talk of the Agreed Minute and the press.

Mr. Loy said it would be useful to try to agree on an Agreed Minute. The United States would be prepared to table a draft at noon tomorrow.

With regard to the agreed Minute, Ambassador Capomazza said it would be important to him to state in the Minute the last offers on each side. The Minute would be confidential, so it could include the United States offer to renounce our beyonds to Africa and Australia. If this were not done, the United States position would not be very clear.

"With regard to the press, I do not see the possibility of a joint statement, unless it deals simply with generalities. We must keep our freedom in talking with the press."

Mr. Loy said the United States has prepared a draft joint communique.

Ambassador Capomazza asked about United States airline filings.

Mr. Loy said he had the filings with him and expected to present them tonight. With regard to the press, if no joint statement could be made now, it would seem impractical to make one at all.

With regard to the United States draft joint statement, Ambassador Capomazza said he could accept it with two changes. First, there should be added a statement of hope for the future. Second, there should be deleted the reference to bilateral agreements as the usual form of aviation relations of the two countries. He said he would have to show the draft to Ortona, but with those changes, would recommend its acceptance.

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Mr. Serafini explained that bilaterals were not by any means the only way in which Italy carried on aviation relations. Specifically, Italy has other kinds of provisional arrangements with Eastern European and African countries.

Considerable discussion ensued with respect to the joint statement. Agreement was finally reached on the statement and the meeting came to an end.

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Clearance: ECON - Mr. P.C. Narten

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DEPARTMENT OF STATE
THE LEGAL ADVISER

MEMORANDUM

June 20, 1967

TO: E/TT - Mr. Loy CAB - Mr. Minetti
E/OA - Mr. Bolster CAB - Mr. Scibilia
E/OA/AN - Mr. Knight RS/AN ←
E/OA/AL - Mr. Rodriguez Amembassy ROME - Mr. Narten
EUR/AIS - Mr. Blake

FROM: L/E - Philip F. Patman PFP

SUBJECT: Memorandum of Conversation of Private Meeting
at 8 p.m. on May 31 - ITALIAN AVIATION NEGOTIATIONS

1. This is to draw your attention to an inadvertent mistake appearing in the memorandum of conversation referred to above. The date was incorrectly given as May 13. The conversations took place, of course, on May 31.
2. I would appreciate your correcting the copies of the memorandum of conversation that were sent to you.

For AV 4 IT-AS

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